

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00 PA-04

RSC-01 USIA-15 PRS-01 SPC-03 AID-20 COME-00 EB-11

FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01

OMB-01 INT-08 SCEM-02 AGR-20 NSC-10 SS-20 STR-08

CEA-02 L-03 FPC-01 SEC-03 DRC-01 /195 W

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R 021942Z JAN 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2259

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E.O. 11652: N/A

TAGS: EFIN, EIND, VE

SUBJ: ECONOMIC POLICY HIGHLIGHTS OF PRESIDENT'S NEW YEAR'S SPEECH

SUMMARY: IN SPEECH EVENING OF JANUARY 1, PRESIDENT CALDERA DEALT IN MAJOR PART WITH ECONOMIC POLICIES: NEED FOR REVALUATION OF BOLIVAR, EARLY REVERSION OF PETROLEUM CONCESSIONS (SEPTEL), AND ELIMINATION OF FOREIGN OWNERSHIP PARTICIPATION IN MILK AND ELECTRIC POWER INDUSTRIES AND TELEVISION. SPEECH WAS AIMED, OF COURSE, AT DOMESTIC AUDIENCE, AND ENDEAVORED PRESENT ACCOMPLISHMENTS AND POLICIES OF HIS OUTGOING ADMINISTRATION IN MOST FAVORABLE MANNER, BUT POLICY STATEMENTS ON FOREGOING SUBJECTS ARE OF INTEREST TO UNITED STATES.

1. CALDERA FAVORED REVALUATION OF BOLIVAR, BUT SAID HE WOULD NOT DO SO WITHOUT APPROVAL OF PRESIDENT-ELECT CARLOS ANDRES PEREZ.  
(COMMENT: ACCION DEMOCRATICA PARTY SPOKESMAN FRIDAY DECEMBER 28 HAD STATED PARTY AND PRESIDENT-ELECT ARE OPPOSED TO REVALUATION AT THIS TIME.)

2. ELIMINATION OF FOREIGN OWNERSHIP PARTICIPATION IN MILK INDUSTRY

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WAS JUSTIFIED BY REFERENCE TO CONFLICT SOME MONTHS AGO BETWEEN

INDUSTRY AND GOVERNMENT REGULATIONS NECESSARY TO PROTECT CONSUMERS. PRESIDENT SAID NEGOTIATIONS ARE UNDERWAY THROUGH MINISTRY OF FOMENTO AND CORPORATION FOR DEVELOPMENT OF THE ZULIA REGION TO REPLACE FOREIGN OWNERSHIP PARTICIPATION WITH FULLY VENEZUELAN OWNERSHIP THAT WOULD INCLUDE THOUSANDS OF FIRST-STAGE PRODUCERS OF MILK. IF THESE NEGOTIATIONS FAIL, HE SAID HE WILL ASK STANDING COMMITTEE OF CONGRESS TO AUTHORIZE APPLICATION OF THE EXPROPRIATION LAW. (COMMENT: FOREIGN COMPANIES INVOLVED ARE INTERNATIONAL BASIC ECONOMY CORPORATION

NESTLE, AND BORDEN.)

3. ELIMINATION OF FOREIGN OWNERSHIP PARTICIPATION IN ELECTRIC POWER INDUSTRY IS TO BE ACHIEVED BY NEGOTIATION OF GOVERNMENT CORPORATION CADAFE TO TAKE OVER PRIVATE PLANTS IN BARQUISIMETO AND MARACAIBO. AGAIN,\*IF NE ESSARY, CLADERA SAID \*E PLANNED TO INVOKE APPLICATION OF EXPROPRIATION LAW. (COMMENT: COMPANY INVOLVED IS CANADIAN INTERNATIONAL POWER, IN WHICH U.S. SHAREHOLDERS HOLD MAJOR INTEREST. ACTUAL Y, THIS IS MERELY EXPECTED PART OF NATIONAL ELECTRIFICATION PLAN, UNDER WHICH CADAFE HAS FOR YEARS BEEN BUYING OUT PRIVATE COMPANIES.)

4. ELIMINATION OF FOREIGN OWNERSHIP PARTICIPATION IN TELEVISION, PRESIDENT SAID, WAS NECESSARY TO GIVE FULL CONTROL OF THOSE INFLUENTIAL MEDIA OF INFORMATION TO VENEZUELANS. (COMMENT: COMPANIES Affected ARE NBC, WHICH OWNS 10 PERCENT OF CHANNEL 2, AND ABC, WHICH OWNS BETWEEN 10 AND 20 PERCENT OF CHANNEL 4. CBS USED TO HAVE OWNERSHIP PARTICIPATION IN OTHER PRIVATE CHANNEL - CHANNEL 8 - BUT NO LONGER DOES. INFORMATION MEDIA LEGISLATION PERMITS FOREIGN OWNERSHIP PARTICIPATION UP TO 20 PERCENT.)  
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## Message Attributes

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**TAGS:** EFIN, EIND, VE  
**To:** STATE  
**Type:** TE  
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